

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/053/005</u>
(Mineral Mined)	<u>GOLD</u>
"MINE LOCATION":	
(Name of Mine)	<u>GOLDSTRIKE 35 MILES NORTHWEST OF</u>
(Description)	<u>ST. GEORGE, WASHINGTON COUNTY, UT</u>
	<u></u>
	<u></u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>382 ACRES</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>TENNECO MINERALS COMPANY - UTAH</u>
(Address)	<u>P.O. BOX 2650</u>
	<u>ST. GEORGE, UTAH 84770</u>
	<u></u>
(Phone)	<u>(801) 574-3164</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

JIM SMITH

MINE MANAGER

P.O. BOX 2650

ST. GEORGE, UT 84770

(801) 574-3164

"OPERATOR'S OFFICER(S)":

GARY T. CHEATHAM

"SURETY":

(Form of Surety - Exhibit B)

CORPORATE SURETY

"SURETY COMPANY":

(Name, Policy or Acct. No.)

AETNA CASUALTY AND SURETY

"SURETY AMOUNT":

(Escalated Dollars)

\$2,000,000

"ESCALATION YEAR":

1997

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

3/25/92 (270.3 Ac) 9/14/92 (382 Ac)*

3/25/92 (\$2,000,000), 2/12/93 (\$2,000,000)

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between TENNECO MINERALS CO. - UTAH the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/053/005 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Exhibit B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division

makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.


Gary T. Cheatham
Authorized Officer (Typed or Printed)


Authorized Officer's Signature

FEB. 12, 1993
Date

SO AGREED this 24th day of March, 1993.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

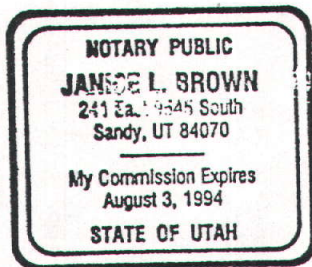
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton
Lowell P. Braxton, Acting Director

4/1/93
Date

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 1st day of April, 19 93, personally
appeared before me, who being duly sworn did say that he/she, the said
LOWELL P. BRAXTON is the Acting Director of the
Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah,
and he/she duly acknowledge to me that he/she executed the foregoing document
by authority of law on behalf of the State of Utah.



Janice L. Brown
Notary Public
Residing at: Sandy, Utah 84070

August 3, 1994
My Commission Expires:

OPERATOR:

TENNECO MINERALS COMPANY - UTAH
Operator Name

By GARY T. CHEATHAM - PRESIDENT
Corporate Officer - Position

FEB. 12, 1993
Date

Gary T. Cheatham
Signature

STATE OF TEXAS)
COUNTY OF HARRIS) ss:

On the 12th day of FEBRUARY, 19 93, personally
appeared before me GARY T. CHEATHAM who
being by me duly sworn did say that he/she, the said GARY T. CHEATHAM
is the PRESIDENT of TENNECO MINERALS COMPANY - UTAH
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
GARY T. CHEATHAM duly acknowledged to me that said
company executed the same.



MARK BARDWELL
My Commission Expires
September 09, 1993

Mark Bardwell
Notary Public
Residing at: 8122 SUNNY RIDGE HOUSTON TX.
77095

My Commission Expires:

SURETY:

THE AETNA CASUALTY AND SURETY COMPANY
Surety Company

By Allen K. Dill - Resident Vice President
Company Officer - Position

February 16, 1993
Date

Allen K. Dill
Signature

STATE OF Texas)
COUNTY OF Harris) ss:

On the 16th day of February, 19 93, personally
appeared before me Allen K. Dill who
being by me duly sworn did say that he/she, the said Allen K. Dill
is the Resident Vice President of The Aetna Casualty and Surety Company
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Allen K. Dill duly acknowledged to me that said
company executed the same.

Linda W Barnes
Notary Public - Linda W. Barnes
Residing at: Houston, Texas

7-20-95
My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

TENNECO MINERALS COMPANY - UTAH
Operator

M/053/005
Permit Number

GOLDSTRIKE MINE
Mine Name

WASHINGTON County, Utah

The legal description of lands to be disturbed is:

The disturbed area for the Tenneco Goldstrike Mine consists of roads, mine pits, mine dumps, drainage control facilities, mineral processing facilities, and administrative/support facilities totalling 382 acres, more or less, and located in portions of:

The south half of the northeast of the southwest quarter, the southeast quarter of the southwest quarter, and the southwest quarter of the southwest quarter of Section 16; the southeast quarter of the southeast quarter and the southwest quarter of the southeast quarter of Section 17; the southeast quarter of the northeast quarter, the west half of the northeast quarter of the southeast quarter, the northwest quarter of the southeast quarter, the southeast quarter of the southwest quarter, the southeast quarter of the northeast quarter of the southwest quarter, and the southeast quarter of the southwest quarter of the southwest quarter of Section 19; the northeast quarter, the northwest quarter, and the west half of the northeast quarter of the southwest quarter of Section 20; the west half of the northwest quarter of the northeast quarter and the northwest quarter of Section 21; the northwest quarter of the northeast quarter of the northwest quarter, the northwest quarter of the southwest quarter of the northwest quarter, and the northwest quarter of the northwest quarter of Section 30, all in Township 39 South, Range 18 West, SLBM, Washington County, Utah; and

the northeast quarter of the northeast quarter, the east half of the northwest quarter of the northeast quarter, the southeast quarter of the northeast quarter, and the southwest quarter of the northeast quarter of Section 25, Township 39 South, Range 19 West, SLBM, Washington County, Utah.

**POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY
OF RESIDENT VICE PRESIDENT(S) AND RESIDENT ASSISTANT SECRETARY(IES)**

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation organized under the laws of the State of Connecticut and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, by its duly authorized officer, does hereby appoint the following resident officer(s), with business address indicated below but without territorial restriction, and does grant full power and authority to each Resident Vice President to sign and execute on its behalf, and to each Resident Assistant Secretary to seal and attest on its behalf, any and all bonds, recognizances, contracts of indemnity, or writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto, and all such instruments signed by any one of said Resident Vice Presidents, when sealed and attested by any other person named below as one of said Resident Assistant Secretaries, shall be as valid and binding upon the Company as if the same had been signed by the President and duly sealed and attested:

RESIDENT VICE PRESIDENT(S)
Sam J. Shelton
Michael C. Menendez
Robert Gavos
P. T. Osburn
Phoebe Adams
Allen K. Dill
- - -

RESIDENT ASSISTANT SECRETARY(IES)
Sam J. Shelton
Michael C. Menendez
Robert Gavos
P. T. Osburn
Phoebe Adams
Allen K. Dill
- - -

BUSINESS ADDRESS
Houston, Texas

These appointments are made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Vice President, and its corporate seal to be hereto affixed this 25th day of January, 19 93

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY

By Joseph P. Kiernan
Joseph P. Kiernan
Vice President

On this 25th day of January, 19 93 before me personally came JOSEPH P. KIERNAN, to me known, who, being by me duly sworn, did depose and say: that he is Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the Standing Resolutions of said corporation and that he signed his name thereto by like authority.



Rosalind R. Christie
My commission expires March 31, 1993
Rosalind R. Christie Notary Public

CERTIFICATE

I, the undersigned, Secretary of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 16th day of February, 19 93



By W. R. McCurdy
W. R. McCurdy, Secretary